

COVID-19 Government funding available for businesses

What funding is available?

Coronavirus Job Retention Scheme

- Government grant to pay 80 percent of a retained, non-working, employee's salary, capped at £2,500 per employee per month. In addition, the grant will cover employer NICs and minimum auto-enrolment pension contributions applicable for that wage.
- Available to all businesses regardless of size, charities and organisations in the not-for-profit sector.
- Covers wages from 1 March 2020 and available for initial period of 3 months, but may be extended.

Tax payments

- VAT:
 - Next quarter's (quarter ended 30 June) VAT payments deferred until end of the financial year (31 March 2021).
 - Businesses do not need to make a VAT payment between 20 March 2020 and 30 June 2020.
 - VAT refunds and reclaims will be paid by the Government as normal.
 - All UK businesses are eligible.
- Income Tax payments:
 - The next Income Tax Self-Assessment payment will be deferred from 31 July 2020 to 31 January 2021.
 - No penalties or interest for late payments will be charged in the deferral period.
 - All self-employed people are eligible.
- "Time to Pay":
 - "Time to Pay" tax deferral arrangements available for all businesses and individuals in temporary financial distress as a result of the Coronavirus crisis.

Business rates

- Temporary 100 percent relief for property values below £51,000;
- For businesses in the retail, hospitality or leisure sector 12 months business rates holiday; cash grants of £10,000 for businesses with a rateable value under £15,000 and of £25,000 for businesses with a rateable value of between £15,001 and £51,000;
- £5,000 discount for pubs valued below £100,000; and
- £10,000 grant for businesses eligible for small business rate relief (SBRR) or Rural Rate Relief.

Loan funding

- Government backed and guaranteed loans. Aimed at helping all businesses to pay rent, salaries, suppliers, or purchase stock:
 - Corporate Financing Facility (CCFF). New lending facility from the Bank of England to provide low cost, easily accessible commercial paper to support liquidity amongst very large businesses e.g. mainly FTSE 100 companies.
 - New Coronavirus Business Interruption Loan Scheme (CBILS) to support lending to small and medium sized businesses with turnover of up to £45 million per year. Up to £5 million available per business, with no interest for the first 12 months.
- Further measures to be announced next week to help medium sized and larger companies access the credit they need.

Statutory sick pay

- Small and Medium Enterprises (with fewer than 250 employees as of 28 February 2020) are able to reclaim 100 percent of Statutory Sick Pay paid, for 14 days per employee from the Government.

Other

- Off-payroll working (IR35) regime reforms delayed to April 2021.
- Potential support package for airlines and airports being discussed.

How do you access the funding?



Job Retention Scheme – Available before end of April until at least the end of May 2020. HMRC are currently building a new online portal. Contact HMRC to apply for the grant.



VAT – the VAT deferral is an automatic offer with no application required.



Income Tax Self-Assessment – this is an automatic offer with no application required.



'Time to pay' – contact HMRC's new dedicated COVID-19 helpline for advice and support on 0800 0159 559 (Monday to Friday 8am – 8pm and Saturday 8am – 4pm).



Business rates holidays and grants – contact the relevant local authority. No application required for those eligible for

rates holidays or grants in the retail, hospitality and/or leisure industry or for grants for those businesses that benefit from SBRR and Rural Business Relief, which will be available early April.



Coronavirus Business Interruption Loan Scheme – Funding provided through the British Business Bank to lenders, so businesses should apply through one of 40 banks that are part of the British Business Bank scheme.



The **CCFF and CBILS** will be available from the week commencing 23 March 2020.



Statutory Sick Pay – Government setting up mechanism to claim this.

Up to date information is available on www.gov.uk

What should you do to access the funding?

- If you want to access the Coronavirus Job Retention Scheme you need to designate affected employees and notify HMRC of this information through the new online portal. Changing the status of employees is subject to employment law and may require negotiation and/or collective consultation. We expect HMRC to provide further details on the mechanisms to apply for a grant in the coming days and weeks.
- You do not need to need to make a VAT payment from 20 March 2020 to 30 June 2020. Any liabilities accumulated during this period need to be paid by 31 March 2021.
- If you are subject to Income Tax Self-Assessment, you do not need to make the payment due on 31 July 2020 until 31 January 2021.
- If you need time to pay tax bills e.g. VAT or PAYE, then HMRC's "Time to Pay" facility can help:
 - If your business has a Customer Compliance Manager (CCM), we suggest you contact them to discuss any issues the business has in meeting its tax obligations such as filing returns or paying tax.
 - If your business does not have a CCM, you can call the HMRC COVID-19 helpline on 0800 024 1222 (Monday to Friday 8am – 8pm and Saturday 8am – 4pm).
- If you expect your business to be able to benefit from the Business Rates holiday, you can contact your local authority. If you are in the retail, hospitality and/or leisure industry, then you do not need to take any action. If your business is entitled to a grant, you don't need to take any action and should be contacted by your local authority.
- If you want to make use of one of the new loan schemes, these will be available through your business bank or one of 40 banks that are part of the British Business Bank scheme. We recommend approaching them as soon as possible with a clear view of your financing requirements.
- Stay in touch with us at KPMG. Things are changing on an almost daily basis and we can provide advice and support.
- You can also keep up to date on www.gov.uk. Further details on Statutory Sick Pay and any new funding announced in the coming weeks and days will be provided on this site.



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